

Fish & Wildlife

Financial Choices Workshop, September 17, 2002

- **Objectives:**
 - **Provide an overview of BPA fish and wildlife costs.**
 - **Explain any differences between rate case and current assumptions of BPA fish and wildlife costs.**
- **Categories of BPA fish and wildlife costs:**
 - ***Integrated Program*** – The non-capital expenditures for fish and wildlife activities funded by BPA under the Council’s Fish and Wildlife Program and the 2000 FCRPS biological opinions.
 - ***BPA Direct-Funded O&M and 50% NWPPC Overhead*** – The hydroelectric share of O&M and other non-capital expenditures for fish and wildlife activities by the Corps of Engineers, Bureau of Reclamation and US Fish & Wildlife Service that are funded by the US Treasury and reimbursed by BPA. This category also includes 50% of NWPPC overhead.
 - ***Capital*** – The projected amortization, depreciation and interest payments for fish and wildlife-related investments directly funded through BPA borrowing, as well as fish and wildlife capital investments by the Corps and Reclamation for which BPA is obligated to repay the US Treasury.
 - ***River Operations*** – The power purchases and foregone revenues associated with river operations required by NMFS and USFWS 2000 Biological Opinions.

- **The Integrated Program, BPA Direct-Funded O&M, and Capital costs are included as budget items in BPA's revenue requirement.**
- **Fish operations are reflected in BPA rates and financial analyses through hydro regulation studies. Fish operations are modeled as non-power constraints to the system that are defined in ESA biological opinions (i.e., reservoir elevations, flows, and spill).**
- **Hydro regulation results provide a projection of system energy production that is matched with load projections to estimate surplus sales and power purchase needs.**

2000 Biological Opinion Cost Comparison

(in \$million)

Cost Category	Fish Funding MOA 1996-2001 Average	2002-06 Rate Case Annual Average (Range)	2000 BO Estimate Annual Average (December 2000)
Integrated Program	\$100	\$139 (\$109 - \$179)	\$150
BPA Direct Funded O&M And 50% NWPPC overhead	\$40	\$52 (\$39 - \$54)	\$62
Capital	\$112	\$142 (\$124 - \$184)	\$140
TOTAL	\$252	\$333	\$352
Operations		50-Water Year Average Of the 13 Alternatives	50-Water Year Average Annual MW Impact
Generation impact relative to 1998 BO operations		-43 MW (-902 MW to +164 MW)	-59 MW (-187 MW to +86 MW)
Generation impact relative to No Fish Operations Base Case			-982 MW (-650 MW to -1360 MW)

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\$ in Millions

28 Fish & Wildlife Augmentation Initiative 2/
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FY 2000	FY 2001	FY 2002			FY 2003		
Actuals	Actuals	June 2001 Rate Case	Aug 2002 Forecast	Delta	June 2001 Rate Case	Aug 2002 Forecast	Delta
0.0	1.8	0.0	10.0	10.0	0.0	15.2	0.0
108.2	101.1	131.7	120.0	(11.7)	138.0	130.0	(8.0)
12.4	12.7	15.4	14.9	(0.5)	16.2	16.1	0.0

\$ in Millions

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FY 2004			FY 2005		
June 2001 Rate Case	Aug 2002 Forecast	Delta	June 2001 Rate Case	Aug 2002 Forecast	Delta
0.0	0.0	0.0	0.0	0.0	0.0
140.1	134.4	(5.7)	142.9	139.0	(3.9)
17	16.9	0.0	17.9	17.8	0.0

\$ in Millions

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FY 2006			Average Delta 2003- 2006	Total Delta
June 2001 Rate Case	Aug 2002 Forecast	Delta		
0.0	0.0	0.0		0.0
144.4	143.7	(0.7)		(18.3)
18.8	18.7	0.0		0.0

Major Subcategories:

1. Administration of the Fish and Wildlife Program - \$10 Million per year average
2. Projects prioritized to meet requirements of the 2000 Federal Columbia River Power System (FCRPS) Biological Opinions and direct funding of the Northwest Power Planning Council's program - \$123.4 Million per year average

Drivers of Difference from Rate Case:

Budgets are within the expected rate case ranges.

Consequences of cost cuts/tradeoffs:

Cost cuts could jeopardize implementation/compliance requirements of Biological Opinions, depending on the nature and extent of the cuts.

Current Mechanisms for enforcing spending levels:

Projects are individually tracked and managed to assure timely and cost effective delivery of products.

BPA is aggressively pursuing a policy of achieving maximum biological results at the least cost. This is directly related to the need for clear and concise performance standards.